

GOVERNMENT OF TELANGANA

ABSTRACT

Industrial Policy - Incentives for setting up of New Industrial Enterprises in Telangana State- T-PRIDE (Telangana State Program for Rapid Incubation of Dalit Entrepreneurs) Incentives Scheme, 2014 for Scheduled Caste / Scheduled Tribe Entrepreneurs - Operational Guidelines for implementing the Policy -Amendments- Issued.

INDUSTRIES AND COMMERCE (IP & INF) DEPARTMENT

G.O.Ms.No.36

Dated: 25.07.2016

Read the following:-

1. G.O.Ms.No.29, Industries & Commerce (IP&INF) Dept. dated 29.11.2014
2. G.O.Ms.No.78, Industries & Commerce (IP&INF) Dept. dated 09.10.2015
3. From the Commissioner of Industries, Telangana State, Hyderabad Single File No. 39/2014/2323/T-PRIDE, Dated:

ORDER

In the reference 1st read above, Government have issued orders for extending the Incentives for setting up of New Industrial Enterprises in Telangana State and commence commercial production on or after 01.01.2015 but before 31.3.2019 under T-PRIDE (Telangana State Program for Rapid Incubation of Dalit Entrepreneurs) Incentives Scheme, 2014 for Scheduled Caste / Scheduled Tribe Entrepreneurs & Physically Handicapped persons. Projects involving substantial Expansion / Diversification of existing industries in the eligible lines of activities are also entitled for benefits offered under the policy.

2) In the reference 2nd read above, Government issued the operational guidelines under T-PRIDE (Telangana State Program for Rapid Incubation of Dalit Entrepreneurs) Incentives Scheme, 2014.

3) In the reference 3rd read above, the Commissioner of Industries, Telangana State Hyderabad has requested for certain amendments based on representations and extensive consultations with the Industrial Associations in the State.

4) Government, after careful examination of the matter, hereby issue certain amendments to the operational guidelines for the G.O.2nd read above under T-PRIDE (Telangana State Program for Rapid Incubation of Dalit Entrepreneurs) Incentives Scheme, 2014 as annexure to these orders

5) The Commissioner of Industries, Hyderabad shall take necessary further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

ARVIND KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION

To

The Commissioner/Director of Industries, Telangana, Hyderabad.

The Vice Chairman & Managing Director, Telangana State Industrial Infrastructure Corporation (TSIIC), Hyderabad

The Vice Chairman & Managing Director, Telangana State Industrial Development Corporation (TSIDC), Hyderabad.

The Managing Director, Telangana Pradesh State Finance Corporation, Hyderabad.

Copy to:

The Finance .(EBS.VII) Department

The Revenue (CT/LA/Registration) Department.

The Irrigation & CAD (Reforms) Department

The Energy Department.

(PTO)

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The LET & F (Employment) Department.
The Law Department.
The Scheduled Caste Development Dept.,
The Tribal welfare Dept.,
The Y.A. &T.C. Dept.
The Accountant General, Hyderabad
The Convener, State Level Banker's Committee, State Bank of Hyderabad, Head
Office, Gunfoundry, Hyderabad - 500 004.
The General Manager, Small Industry Development Bank of India, (SIDBI), Hyderabad.
The Pay and Accounts Officer, Hyderabad
The Director of Treasuries and Accounts, Hyderabad.
All District Collectors through Commissioner of Industries, Hyderabad.
All Heads of Departments through Commissioner of Industries, Hyderabad.
All Govt. Companies/Corporations through Commissioner of Industries, Hyderabad.
The P.S. to Additional Prl. Secretary to Chief Minister.
The PS to Minister for Industries & Commerce.
The P.S. to Chief Secretary to Government.
All Private Secretaries to the Ministers.
All General Managers, District Industries Centre through Commissioner of Industries,
Hyderabad.
SF/SC .

//Forwarded::By order//

SECTION OFFICER

ANNEXURE

(G.O.Ms.No.36, Industries & Commerce(IP & INF) Department, Dt.25.07.2015)

AMENDMENTS TO OPERATIONAL GUIDELINES OF T-PRIDE (TELANGANA STATE PROGRAM FOR RAPID INCUBATION OF DALIT ENTREPRENEURS) INCENTIVES SCHEME 2014

Sl. No	Para No.	Existing guidelines	To be read as
1	6.2.2	33 1/3% Reimbursement on land cost in IE/IDA/IP's limited to Rs.10.00 Lakhs in Industrial Estates / Industrial Parks, if not availed rebate from TSIC as per G.O Ms.No. 102, Industries & Commerce (INF), Department, dt. 19.6.2012.	<p>50% Reimbursement on land cost in IE/IDA/IP's in Industrial Estates / Industrial Parks, if not availed rebate from TSIC as per G.O Ms. No. 102, Industries & Commerce (INF), Department, dt. 19.6.2012. In respect of the units which availed rebate from TSIC, the amount of the rebate availed will be deducted from the eligible Investment Subsidy under T-PRIDE on the land cost.</p> <p>However, the maximum Investment Subsidy entitlement for the unit on fixed capital investment (including the rebate / reimbursement made on Land cost) is limited to Rs.75 Lakhs.</p>
2	6.14.2	<p>The land cost will be levied at the rates prevailing as on the date of allotment duly allowing 33 1/3 rebate on the land cost (subject to Rs. 10 Lakhs) which is being allowed to the SC/ST Entrepreneurs and the same will be collected as follows:</p> <p>a) Initial 25% of land cost at the time of allotment within the stipulated period of 90 days and the allottee shall execute lease agreement / lease dated within the stipulated period and take possession of the allotted plot/land.</p> <p>b) From the date of execution & registration of lease agreement, there will be moratorium period of 2 (two years)</p> <p>c) After completion of the above moratorium period, the balance</p>	<p>The land cost will be levied at the rates prevailing as on the date of allotment duly allowing 33 1/3 % rebate on the land cost (subject to Rs. 10 Lakhs) which is being allowed to the SC/ST Entrepreneurs and the same will be collected as follows:</p> <p>a) Initial 25% of land cost at the time of allotment within the stipulated period of 90 days and the allottee shall execute lease agreement / lease dated within the stipulated period and take possession of the allotted plot/land.</p> <p>b) From the date of execution & registration of lease agreement, there will be moratorium period of 2 (two years)</p> <p>(c)After completion of the moratorium period, the balance 75% of land cost will be collected in 8 (eight) annual instalments comprising principal and interest components. The rate of interest is @ 12% p.a., Besides lease rent @ 100/- per annum per acre or part thereof will be collected.</p>

		75% of land cost will be collected in 8 (eight) annual instalments comprising principle component and interest.	
3	6.6.2.	The Seed capital assistance to First Generation Entrepreneurs to set-up New Micro Enterprises, @20% of the Machinery cost will be paid and the same will be deducted from the eligible investment subsidy.	The Seed capital assistance to First Generation Entrepreneurs to set-up New Micro, Small Enterprises, @20% of the Machinery cost will be paid and the same will be deducted from the eligible investment subsidy.
4	5.1.1.	There should be 100% ownership by Scheduled Cast /Scheduled Tribe entrepreneurs or both together in case of joint venture Enterprise as per G.O.Ms.No.105, Inds. & Comm. (IP) Dept., dated: 23-4-2008. Wherever Scheduled Cast /Scheduled Tribe entrepreneurs joint together and form a joint venture the incentives will be determined basing on majority holding by Scheduled Caste or Scheduled Tribe promoters. Such combination should continue for at least six (6) years for Micro & Small Enterprises and ten (10) years for Medium Enterprises & Large Industries/Mega Projects, failing which the special incentives allowed to Scheduled Caste/Scheduled Tribe entrepreneurs, in excess, if any will be recovered.	<p>There should be 100% ownership by Scheduled Caste /Scheduled Tribe entrepreneurs or both together in case of joint venture Enterprise as per G.O.Ms.No.105, Inds. & Comm. (IP) Dept., dated: 23-4-2008. Wherever Scheduled Cast e/Scheduled Tribe entrepreneurs joint together and form a joint venture the incentives will be determined basing on majority holding by Scheduled Caste or Scheduled Tribe promoters. Such combination should continue for at least six (6) years for Micro & Small Enterprises and ten (10) years for Medium Enterprises & Large Industries/Mega Projects, failing which the special incentives allowed to Scheduled Caste/Scheduled Tribe entrepreneurs, in excess, if any will be recovered.</p> <p>Further, wherever Scheduled Caste /Scheduled Tribe entrepreneurs of the State of Telangana with equity holding of at least 51% and their counterparts belonging to other States of India with equity holding upto 49% are joined together and form a joint venture, such Joint Venture is also eligible for incentives under T-PRIDE Scheme subject to condition that the caste of the share holder(s) from other State is recognised as SC/ST.</p>

5	6.5.2	35% investment subsidy on fixed capital Investment for Micro and Small Enterprises set up by SC and ST Entrepreneurs, with a maximum limit <u>per unit</u> as Rs. 75.00 Lakhs. Additional 10% investment subsidy for SC Women and ST Women Entrepreneurs on fixed capital investment subject to a maximum of Rs. 10.00 lakhs to MSE's. (total investment subsidy limited to Rs.75.00 lakhs only)	35% investment subsidy on fixed capital Investment for Micro and Small Enterprises set up by SC and ST Entrepreneurs, with a maximum limit <u>per unit</u> as Rs. 75.00 Lakhs. Additional 10% investment subsidy for SC Women and ST Women Entrepreneurs on fixed capital investment subject to a maximum of Rs. 10.00 lakhs to MSE's. (total investment subsidy limited to Rs.75.00 lakhs only) For incentives to LMV, passenger transport: i. The family shall be the unit ii. Maximum of 2 vehicles shall be allowed per family iii. The maximum investment subsidy shall be Rs.8.0 lakhs per LMV Passenger Transport Vehicle or 35% (45% for women and 50% for STs in schedule areas) of cost of vehicle whichever is low
6	5.3.1	The service sector projects will be limited to 50% of the Budget provision during the each financial year.	The service sector projects will be limited to 50% of the Budget provision during the each financial year and the budget provision to LMV Passenger Transport vehicles will be limited to 20% of the budget for service sector
7	6.12.2	The General Manager, District Industries Centre will recommend the applications after placing before the District Investment Promotion Committee (DIPC) to the Commissioner of Industries with his specific remarks/recommendation on the proposed sanction of Investment Subsidy prior to DCP. As per 6.12.9: The Investment Subsidy prior to DCP will be sanctioned and released@ 35% and 45% of the eligible Investment subsidy as 1st & 2nd instalments respectively in “pari passu” mode along with term loan by the Commissioner of	The General Manager, District Industries Centre will recommend the applications after placing before the District Investment Promotion Committee (DIPC) to the Commissioner of Industries with his specific remarks/recommendation on the proposed sanction of Investment Subsidy prior to DCP. As per 6.12.9: The Investment Subsidy prior to DCP will be sanctioned and released@ 35% and 45% of the eligible Investment subsidy as 1st & 2nd instalments respectively in “pari passu” mode along with term loan by the Commissioner of Industries subject to availability of budget under SCSP/TSP. Further, meetings will be convened fortnightly by the Commissioner of Industries by inviting line departments and Associations who are members of SLC and all the advance subsidy proposals received in full shape will be considered. The proposals sanctioned, if any, will be placed for ratification before SLC.

		Industries subject to availability of budget under SCSP/TSP.	
8	18.2(a),(b) and (c)	<p>18.2 The DIC officials may collect & verify all the records/documents as per the PART-B of verification-cum-recommendation of the General Manager, District Industries Centre concerned & Check List duly following the procedure at the Time of Inspection only:</p> <p>(a) Micro Enterprises should be jointly inspected by Assistant Director/Deputy Director & Industrial Promotion Officer concerned.</p> <p>(b) Small Enterprises should be jointly inspected by Assistant Director/Deputy Director/General Manager along with Industrial Promotion Officer concerned.</p> <p>(c) Medium Enterprises/Large Industries/Mega Projects should be jointly inspected by the General Manager along with Assistant Director/Deputy Director concerned.</p>	<p>18.2 The DIC officials may collect & verify all the records/documents as per the PART-B of verification-cum-recommendation of the General Manager, District Industries Centre concerned & Check List duly following the procedure at the Time of Inspection only:</p> <p>(a) Micro Enterprises should be jointly inspected by Assistant Director/Deputy Director & Industrial Promotion Officer concerned.</p> <p>(b) Small Enterprises should be jointly inspected by Assistant Director/Deputy Director/General Manager along with Industrial Promotion Officer concerned.</p> <p>(c) Medium Enterprises/Large Industries/Mega Projects should be jointly inspected by the General Manager along with Assistant Director/Deputy Director concerned.</p> <p>Further, the following procedure shall be followed for inspection of movable assets/units that have applied for incentives under T-PRIDE.</p> <p>1. Transport Vehicles shall be inspected on 2nd and 4th Friday of every month in a common place to be designated by GM, DIC.</p> <p>2. In case of movable assets other than transport passenger vehicles like JCB, Earthmovers, etc., operating in other districts within the State, General Manager of the District where the equipment is working shall inspect the unit and shall send a report to the GM of the District to whom the incentive application has been submitted.</p> <p>3. Transport sector vehicles with project cost upto Rs.20 Lakhs shall be inspected by the IPO concerned for recommending for sanction /releases of incentives and need not be inspected jointly by the AD/DD of the DIC concerned. The above procedure shall also be followed for inspection of units of mobile nature for release of incentives under T-PRIDE.</p>
9	5.4.23	Such other activity as may be approved by	Such other activity as may be approved by the State Level Committee is

		the State Level Committee is eligible for incentives.	eligible for incentives. Further, the activities which are approved in earlier SLCs for sanction of incentives under earlier incentives schemes i.e, IIPP 2005-10 & 2010-15 are deemed to be eligible for sanction of incentives under T-PRIDE Scheme unless specifically categorised as ineligible.
10	21.1.	All the Self Financed Industrial Enterprises should be inspected by respective Multi Disciplinary Committee / Standing Scrutiny Committee as per G.O.Ms. No.319 I & C (IP) Department, dated:29/12/2004 and the Committee should verify the genuineness of machinery to avoid bogus or false claims.	All the Self Financed Industrial Enterprises and Aided units, where the loan component is less than 50% of the approved project cost should be inspected by respective Multi Disciplinary Committee / Standing Scrutiny Committee as per G.O.Ms. No.319, I & C (IP) Department, dated:29/12/2004 and the Committee should verify the genuineness of machinery to avoid bogus or false claims.
11	5.4.18	The fixed capital investment involved in the land, building and equipment such as air conditioners, Fixtures, Furniture are eligible. The facility created should be in the name of the entrepreneur or enterprise for a minimum period of six years. The Service Apartment may be a part of apartment in commercial, Semi Commercial, Residential apartment and independent House subject to obtaining the trade licence from the competent authorities like Municipalities and Gram Panchayath. However, the independent service apartments / House should obtain Commercial Permission from Local Body authorities	<p>The fixed capital investment involved in the land, building and equipment such as air conditioners, Fixtures, Furniture are eligible. The facility created should be in the name of the entrepreneur or enterprise for a minimum period of six years.</p> <p>Further, the following criteria shall be followed:</p> <ul style="list-style-type: none"> •Single apartment (eg. Like a flat) shall be considered as ineligible. •The entire building shall be registered as a service apartment (and not just a part of a building). •All necessary approvals under commercial category from Govt. Depts., such as local bodies, Commercial taxes dept., labour dept, DISCOM, Fire Services, etc. for running a Service Apartment shall be submitted •The construction cost adopted by SFC shall be considered for computation. •Power connection should be commercial connection
12	5.4.19.	Floriculture, Nursery: The fixed capital investment involved in the land, building and equipment is only eligible	<p>The fixed capital investment involved in the land, building and equipment is only eligible.</p> <p>It is preferable to set up these units in own lands. In case of units set up in</p>

			<p>leased lands, the lease deed should be a registered one and in the name of enterprise/entrepreneur for a period of not less than 10 years.</p> <p>Other eligible aspects as per the Protected Cultivation Norms & Guidelines of Telangana State Horticulture Mission.</p> <p>However, the eligible Investment Subsidy on fixed capital investment will be sanctioned and disbursement of subsidy will be made in 6 equated annual instalments each one after completion of one year to avoid misuse of the Investment Subsidy by the lessee belonging to other than SC/ST community since even in manufacturing units, running of units for 6 years is mandatory.</p> <p>Unit cost per Sq. Mtr. as per horticulture mission shall be used for computing the project cost.</p>
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ARVIND KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT AND
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